GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:7460
ANSWERED ON:15.05.2002
AGRO BASED INDUSTRIES
PALANIYAPPA GOUNDER KUMARASAMY

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) the schemes/projects launched for optimum use of agricultural produces and wastes through processing in agro-based industries;

(b) the details of the concession given to agro-based industries in this regard; and

(c) the steps taken to encourage farmers to set up agro-based industries?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a) to (c): The Khadi and Village Industries Commission (KVIC) is already implementing the Rural Employment Generation Programme(REGP) throughout the country for setting up agro and rural industries. Under this scheme, the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs, rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. In the case of SC/ST/ OBC/Women/ Physically Handicapped/Ex-Servicemen and Minority Community beneficiary / institution and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island,Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs but above this amount and upto Rs. 25 lakhs, it is 10% of the remaining cost of the project. Under this scheme, the beneficiary is required to contribute a minimum of 10% of the project cost. In case of SC/ST etc.,beneficiary`s contribution is 5% of the project cost. This scheme is being implemented through Public Sector Banks, Regional Rural Banks, etc.

Moreover, the Government of India has announced a special package on 14.5.2001 for strengthening the Khadi and Village Industries sector. The package inter-alia provides for Insurance cover to the Khadi artisans, option between Rebate and Market Development Assistance (MDA), creation of packaging and design facilities, measures to promote marketing, brand building, cluster development, technology upgradation, quality control, marketing through publicity and advertisement etc.